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October 24, 2024

Via ECF

Honorable Claire C. Cecchi, U.S.D.J.
United States District Court
District of New Jersey
50 Walnut Street
Newark, NJ 07102

Re: DOWC Provider Services, LLC, et al. v. Milestone Partners, et al.
Civil Action No. 2:23-cv-03947 (CCC-JSA)
Status report pursuant to the Court's July 26, 2024 Text Order (ECF No. 38)

Dear Judge Cecchi:

Pursuant to the Court's July 26, 2024 text order (ECF No. 38), the parties jointly submit this status report. The Plaintiffs' Complaint in this matter was filed on July 24, 2023 (ECF No. 1), and subsequently amended on September 27, 2023 (ECF No. 10). In the interim, defendants U.S. Auto Sales, Inc. and U.S. Auto Finance, Inc. ("U.S. Auto") filed for Chapter 7 (no asset) bankruptcy protection in the United States Bankruptcy Court for the District of Delaware (Case No. 23-11251-TMH) ("U.S. Auto Bankruptcy Matter"). Subsequently, Plaintiffs served their Amended Complaint on the remaining defendants. Westlake Services, LLC d/b/a Westlake Financial, Westlake Portfolio Management, LLC (collectively "Westlake") and the Milestone Defendants filed motions to dismiss and Westlake moved to stay the matter due to the U.S. Auto bankruptcy filing. (ECF Nos. 14, 20, and 22). Plaintiffs opposed the motions. (ECF Nos. 30 and 31).

On September 7, 2023, after the first meeting of Creditors in the U.S. Auto Bankruptcy Matter, the Chapter 7 Trustee converted the case from "no assets" to Asset. (U.S. Auto Bankruptcy Matter ECF No. 10). Subsequently, the Chapter 7 Trustee employed accountants and attorneys to investigate U.S. Auto's assets. The U.S. Auto Bankruptcy Matter is ongoing.

On May 23, 2024, the Honorable Jessica S. Allen, U.S.M.J. entered a discretionary stay of the matter against Westlake due to the U.S. Auto Bankruptcy Matter. (ECF Doc. No. 37). Although the Court did not stay the matter against the Milestone Defendants, on July 26, 2024, this Court administratively terminated both of the Defendants' motions to dismiss. (ECF No. 38). The Court has not held a Scheduling Conference pursuant to Local Civil Rule 16.1 regarding the Plaintiffs' Amended Complaint.

As they are continuing to monitor the U.S. Auto Bankruptcy Matter, the parties respectfully request that the Court set a date approximately 90 days out from today for the parties to report back to the Court with any developments in the bankruptcy case or otherwise.

Respectfully Submitted,

DOWC ADMINISTRATION SERVICES, LLC, ET AL.

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